ANNUAL REPORT OF SECRETARY OF TREASURY

Submitted to Congress Today With Recommendations.

ABSOLUTE GOLD STANDARD

All Silver Money Should Be Redeemable in Gold at Option of Holder, and All Bank Notes Should Be Kedeemable in Gold by the Banks of Issue.

Treasury Department 17,727,309 50 War Department 6,400,411 10 Interior Department 4,783,747 60 Department of Justice 6,285,840 60 District of Columbia 11,005,628 60

enuses ermanent annual appropriations-Interest on the pub-lic debt\$25,000,000 00

Refunding — cus-toms, internal revenue, etc. 11,410,000 60 Collecting revenue

Or an estimated surplus of..... 51,810,887 70

OPERATIONS OF TREASURY.

striking features of the condition of the

Legislative Treasury Depart

80,000 00 61,277,852 30

86,235,137 82

The annual report of the Secretary of the Treasury, Leslie M. Shaw, sent to Congress today, is in part as follows: "The revenues of the Government from all sources (by warrants) for the fiscal year ended June 30, 1902, were \$684,326,-

A Year's Expenditures.

"The expenditures for the same period were: For the civil establishment, including foreign intercourse, public buildings, collecting the revenues, District of Columbia, and other miscellaneous expenses, \$111,067,171.39; for the military esta dishment, including rivers and harbors, forts, arsenals, seacoast de-Spain and expenses of the war with Pestal Service, including \$8.343, Spain and in the Philippines \$112.272. Spain and in the Philippines, \$112,272. 216.08; for the naval establishment, including construction of new vessels, machinery, armament, equipment, improvement at navy yards, and expenses of the war with Spain and in the Philippines. \$67,803,128,24; for Indian Service, \$10. 049,584.86; for pensions, \$138,488,559.73; for interest on the public debt, \$29,108,-044.82; for deficiency in postal revenues, \$2,402,152.52, and for postal service, \$121.-848,047.26. Total expenditures, \$593,-038,904.90, showing a surplus of \$91,287,-

"In addition to the revenues collected during the year, the cash in the Treazury was increased by the following sums: From national bank fund deposited under act of July 14, 1890, in excess of bank notes redeemed, \$12,650,160; from Issue of 3 per cent bonds under authority of the act of June 13, 1898, for Spanish was expenditures \$29 and from the

deposits, etc., \$1,751,750.37; for sale of claim of United States against Sioux City, and Facific Railroad Company, \$2,122,841.24; and part payment of Central Pacific Railroad indebtedness, \$4-576,247.10. The total decreases were \$45, 2024,365.27. The chief increases in revenue were in customs, \$15,859,252.20, and in the postal service, \$10,216,852.87. The cital increases were \$30,034,114.82, so that the net decrease was nearly \$15, 200,000.

There was a decrease of \$38,776,495.51 in expenditures. The total decreases in the civil establishment were \$16,432.

There was a decrease of \$38,715,495.51 in expenditures. The total decreases in the civil establishment were \$16,434,776.698, and the total of increases, \$7,7622,096.89, leaving a net decrease of \$8,812,679.18. The total decreases in the mailtary expenses were \$35,854,519.63, and the total increases only, \$1,511, and the total increase of \$38,716,495.51 in outstanding liabilities.

Increase in Customs.

"The first quarter of the new fiscal year was marked by an increase in customs, offsetting the reduction by the new statutes in internal revenue. Both

existing laws the revenues of the Gov-ernment for the fiscal year 1994 will be: bringing the total up to \$363,311,089.

Legislative establishme	mt	80,267,845
Executive establishmen	nt-	
Executive proper	8219,500 0	0.
State Department	206,410 0	9
Treasury Depart-		
ment	2,974,720 0	0
War Department :	2,193,466 0	0
Navy Department:	539,768 0	0
Interior Depart-		
ment	5,992,499 0	0
Postofiice Depart-		
ment	1,520,630 0	0
Department of Ag-		
riculture	5,000,150 0	0
Department of Jus-		
tice	240,290 0	6
Department of La-		
bor investment	194,220 0	0

the kinds and amounts of paper cur rency desired, which were usually

RECOMMENDATIONS OF THE SECRETARY OF THE TREASURY.

The Government should make all silver morey redeemable in gold.

National banks should be required to redeem their circulation in gold on demand.

Additional bank note circulation is necessary.

Either the Government debt must be perpetuated as a basis for national bank circulation and additional issued as occasion may require, or some other system must be provided.

I see no objection to the issuance of circulation based upon general credits if properly safeguarded Neither do I believe it necessary to make currency thus issued a first lien upon assets. A very small tax upon would be sufficient to cover any possible loss.

I am not prepared at this time to recommend branch banks,

If authority was granted to make Government deposits without security after special examination and es of interest as the Secretary of the Treasury might determine, quite an element of elasticity would henever a surplus of revenues existed. But if it should be deemed unwise to prevent the loanng of public funds without specific security it certainly would be well to authorize deposits direct from the Treasury and, as now, upon satisfactory security.

The mint at New Orleans is now being operated at great inconvenience and expense, and it is recommended that it be reduced to an assay office after June 30, 1903.

The building now occupied by the Bureau of Engraving and Printing is overcrowded, and additional

nded that the rate of taxation on such national-bank circulation as may be secured hereafter by bonds issued for the construction of the isthmian canal be reduced to one-half of 1 per cent. This will place the proposed issue on a par with consols, and will insure, I think, their negotiation at somewhat above

Several customs districts can safely be abolished and others consolidated.

An annual appropriation for the sinking fund to meet the debt of the District of Columbia is recommended; and it is suggested that authority be granted to purchase outstanding Government bonds with the proceeds of such sinking fund whenever it is impracticable to purchase advantageously the bonds of the Dis-

The several branches and bureaus of the Treasury Department are widely separated, and much valuable time is wasted in carrying documents from one division to another, and in securing necessary information, which could be avoided with great saving to the Government by the installation of a comprehensive pneumatic tube system, and the same is therefore recommended.

The attention of the Congress is called again to the necessity for a Hall of Records. The Treasury Department is now seriously congested. Many of the corridors are filled with boxes and cumbersome file cases.

The Treasury Building is poorly ventilated. A modern heating and ventilating system is therefore earn-

The department finds the so-called "Chinese exclusion laws" very difficult to enforce, and therefore rec-

It is believed that the introduction of the decimal or metric system of weights and measures in the de partments of the Government will be not only an advantage to the departments themselves, but will do much toward bringing about the general adoption of the system by the public.

A pension for families of the life-saving crew who perished at Monomoy, March 17, 1902, is recom-

The imperative need of increased appropriations for secret service work is also called to your attention.

Increase in Customs.

"The first quarter of the new fiscal ear was marked by a reached. The amount in the Treasury

rency desired, which were usually United States notes and silver certificates of small denominations. The gold received at the mints and assay offices is paid for mostly by checks. For deposits of gold in San Francisco payments were made by telegraph in New York to the amount of \$10,473,900 before November 1.

striking features of the condition of the Treasury, the magnitude of the available cash balance and the unprecedented holdings of gold. Among the notable events of the last fiscal year are the diminution of revenues due to the repeal of war taxes, the reduction of expenditures, and the changes in the composition of the paper currency. United States notes and Treasury notes were of all kinds of currency has been maintained.

Si38,352,670 and circulation outstanding secured by bonds, \$325,783,189*.

During the year ended October 31, 1902, the number of national banks was and letter of the statute. The purity circulation outstanding secured by bonds, \$325,783,189*.

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During the year ended October 31, 1902, the number of national banks was and letter of the statute. The purity of all kinds of currency has been maintained.

Division of Loans and Currency.

The amount of the interest-bearing debt outstanding July 1, 1901, was \$987, 1905,000, 1905,000**, 2005 of war taxes, the reduction of expensions of the same of the composition of the paper currency. United States notes and treasury notes were states notes and Treasury notes were of the sinking fund amounted to \$56, 1239; premium on bonds purchased, \$14,643,391.14, making a total of \$70, 250,45. The chief decreases enumerated by Mr. Shaw are in internal revenue, \$35,300,541.68; profits on coinage builton, deposits, etc., \$1,751,750.27; for sale of claim of United States against Sioux and the changes in the composition of the paper currency. United States notes and Treasury notes were state not the composition of the statute. The parity and letter of the statute. The parity and letter of the statute. The parity of all kinds of currency has been main letter of the statute. The parity and letter of the statute. The parity of all kinds of currency has been main letter of the statute. The parity and letter of the statute. The parity of all kinds of currency has been main letters of the statute. The parity of the largest parity of the largest parity and letter of the statute. The parity of the letter of the statute. The parity of the latter, without any impairment of the parity of the latter, without any impairment of the statute. The p

many structures of 184. 460, associations, with pall-in capital part of the pa

which were transferred to secure circuments of the secure circuments of approximately 13 per cent of capital stock. The banks held in specie and legal-tendence circuments of the secure circuments of the country secure circuments of the count

\$261,511,562.29; United States bonds, \$12,570,520; capital stock, \$50,193,537; surplus and other profits, \$55,948.357.81; individual deposits, \$271,520,660.50.

contarties on June 36, 1802, including agreement of the association of the first title the Treasurer's greener in agreement in any recent years except 1800, and for the first title the Treasurer's grown as the tortest except was spile to receive so, or and supply he kinds and amounts of paper curvery desired, which were usually limited States notes and silver certificates of the minist and assay offices a palf for mostly by checks. For decreted at the minist and assay offices a palf for mostly by checks. For decrete date of the amount of \$10,473,060 before Notember 15. In the total of public monors held to be specified and continuous of the first title the trace groups of islanders. The solid of public business of the Government, the deposits of the association on Soptember 15. on which reserve was remains to the treatment of \$3,844,205,205,307, and the amount held was a mount of \$10,253,007,507, and the three groups of islander Porton the payment thereof.

"The required reserve was remains to the deposits of the three groups of islander Porton the three groups of islander and the three groups of islander Porton the treasuring of the Government, the deposits of the three groups of islander Porton the three groups of islander Porton the three groups of islander Porton the payment thereof.

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"The revenues of the Government, the deposits of the forton the group of islanding of the payment and

More National Bank Circulation Imperative.

TWO METHODS SUGGESTED

Perpetuation of Government Funded Indebtedness or an Asset Currency. District Revenues and Matters Affecting the District.

INTERNAL REVENUE.

ed June, 30, 1902, were \$121,138,013.13, an increase of \$5,110,033.57. There were no other important increases. The receipts from tobacco were \$51,937,925.19, a decrease of \$10,543,981.94. The receipts on fermented liquors were \$71,988,902.39, a decrease of \$3,581,005.25. The receipts under 'Schedules A and B,' including brokers, were \$12,442,792.69, a decrease of \$25,728,243.63.

Reports of Bureaus. ed June, 30, 1902, were \$121,138,013.13, an ings for the bureau have been delayed,

Production of Liquors.

"The total production of distilled is reviewed at length, with especial ref-spirits, exclusive of fruit brandles, for the fiscal year, was 128,623,461.9 taxable nese exclusion act, for which a large apthe fiscal year, was 128,623,461.9 taxable gallons, against 124,526,599 taxable gallons in 1991, showing an increase in production for the fiscal year just ended of 4,102,802.9 gallons. There were also produced 449,729 gallons of apple brandy, 152,494 gallons of peach brandy, 3,570,197 gallons of grape brandy, 8,362 gallons of peach brandy, 36,70,197 gallons of pricot brandy, 508 gallons of berry brandy, 36,28 gallons of prune brandy, 1,236 gallons of fig brandy, and 48 gallons of cherry brandy, making a total production of 4,220,400 gallons from fruits during the fiscal year.

tion of 4,220,400 gallons from fruits during the fiscal year 1902, 2,938 distilleries of all kinds were operated. For the preceding fiscal year 3,745 distilleries of all kinds were operated, a decrease of 807 for the year just ended.

"During the fiscal year 1902 there were produced 44,550,127 barrels of beer. The number of barrels produced during the fiscal year 1901 was 40,614,258, making an increased production for the year just ended of 3,935,869 barrels.

"American shipping was greater in

ence on October 31, 1901, was \$663,224,195, and of the fiscal year 1903, as follows:

The bonds on deposit with the Treasury was \$244,611.57. On October 31, 1901, it was \$338,332,670. The amount of money in circulation November 1, 1902, was \$232,833,339, and on October 31, 1901, it was \$338,352,670. The amounts of money in circulation November 1, 1902, was \$238,332,670. The amounts of money in circulation November 1, 1902, was \$238,332,670. The amounts of money in circulation November 1, 1902, was \$238,332,670. The amounts of money in circulation November 1, 1902, was \$238,332,670. The amounts of money in circulation November 1, 1902, was \$238,332,670. The amounts of money in circulation November 1, 1902, was \$238,332,670. The amounts of money in circulation November 1, 1902, was \$238,332,670. The amounts of money in circulation November 1, 1902, was \$238,332,670. The amounts of money of the same dates were \$254,402,729, \$331,670. The estimated population of the currency in each of \$33,670. The compiled of the compiled of the compiled of the compiled of the currency in capital increase of \$39,871,800, and the per capita supply of money November 1, 1902, was \$338, 352,670. The amounts of money in circulation November 1, 1902, was \$338, 352,670. The amounts of money of the currency in capital supply of money November 1, 1902, was \$338, 352,670. The estimated population of the currency in capital supply of money November 1, 1902, was \$35,72,600, and the per capita supply of money November 1, 1902, was \$35,72,600, and the per capita supply of money November 1, 1902, was \$35,72,600, and the per capita supply of money November 1, 1902, was \$35,72,600, and the per capita supply of money November 1, 1902, was \$35,72,600, and the per capita supply of money November 1, 1902, was \$35,72,600, and the per capita supply of money November 1, 1902, was \$35,72,600, and the per capita supply of money November 1, 1902, was \$35,72,700, and the per capita supply of money November 1, 1902, was \$35,72,700, and the per capital supply

in manufacturing. The has brought the 148,783 in importations has brought the total import figures of the year to a point higher than ever before, the total value of importations of 1992 being \$903,-320,948, against \$866,400,922 in 1893, the highest record of preceding years.

Trade With Insular Possessions.

"The commerce with the noncontiguous territory of the United States shows one territory of the United States shows."

with recommendations for their protec- are to be two laboratory buildings erecttion. A description of the building of ed for the use of the bureau on a suit-the new seal herd on Buldir Island is able site situated near the intersection

Buildings Delayed.

"On account of the pressure of other "The internal revenue receipts from work in the office of the Supervising distilled spirits in the decal year end- Architect, the plans of the new Public

The report of the Immigration Bureau

associations were closed by expiration of their corporate existence, 63 by voluntary liquidation, and 1 by appointment of receiver. Two associations heretofore in charge of receivers were placed in a solvent condition and allowed to resume business.

Bank Capital \$713,435,695.

"The authorized capital stock of the national banking associations in existence on October 31, 1902, \$712,435,695.

"Since June 30, 1902, the Department has purchased bonds for the fiscal year 1902 as followed and on October 31, 1902, \$712,435,695.

The authorized capital stock of the national banking associations in existence on October 31, 1902, \$712,435,695.

Bank Capital \$713,435,695.

"The net expenditures on account of the sinking fund for the fiscal year 1902 were \$9,363,742. The net revenues deposited in the Treasury on this account for the same period were \$4,217.

"The interest-bearing debt outstanding at the close of business June 30, 1902, was \$931,079,240.

"Since June 30, 1902, the Department has purchased bonds for the sinking fund on October 31, 1901, was \$663,224,195, and on October 31, 1902, \$712,435,695.

The continued with slight intermissions until March 15, 1902. The total amount purchased and charged to the slinking fund for the fiscal year 1902 were \$9,363,742. The net revenues deposited in the Treasury on this account for the same period were \$4,217.

"The total tontage completed was a triple less than in 1901, but the ship-building in progress during the year, in cluding the largest trans-Atlantic trade year 1902 were \$9,363,742. The net revenues deposited in the Treasury on this account for the same period were \$4,217.

"The total tontage completed was a triple less than in 1901, but the ship-building in progress during the year was \$871,800, and of was \$871,800.

anarchy. No provision exists for the investigation of the secret organizations which are maintained in all centers of the means and authority to carry them out. The matter is commended to the attention of Congress.

Central Pacific Debt.

All amounts which have become due to the United States under the agree-